

25X1A9a

Present-value analysis of Federal construction compared with leasing.
The pertinent data concerning this project is as follows:

I. Problem

1. Net Area of Building
2. Site, Design, Engineering, Supervision, etc.
3. Estimated Improvement Cost
4. Annual Rental of Space Comparable to New Building (sq. ft. x \$)
5. Estimated Number of Personnel to be Housed
6. Economically Useful Life of Building

II. Cost Inclusions

A. Construction

1. Site, Design, Engineering, Supervision, etc.
2. Estimated Improvement Cost
3. Maintenance and Operation
(sq. ft. x \$1.43 x 19.7620)
4. Repair and Improvements
(sq. ft. x 6.3707)
5. Impacted Area Payment
(x \$28.57 x 19.7620)

TOTAL

B. Leasing

(sq. ft. x \$ x 19.7620)

PROJECT NUMBER:

4. ANALYSIS OF PROVIDING SPACE BY NEW CONSTRUCTION COMPARED WITH LEASING:

An alternate method of providing suitable space in lieu of that proposed herein is by the leasing of privately owned space. The following is a comparison of the cost of the proposed construction with the cost of leasing.

	<u>Proposed New Building</u>	<u>Comparable Leased Space</u>	<u>Savings Through New Construction</u>
(1) Estimated amount of annual rental - \$:			
Invested in:			
a. Rental of leased space (Unserviced) for 50 years		\$	
b. Project cost (site, design and improvements)	\$		
c. Interest at $4\frac{1}{2}\%$ for period required to amortize Government project cost			
(2) Total Investment	\$	\$	\$
(3) Repair and upkeep for 50 years at \$ per sq. ft.			(-)
(4) Total 50-year cost	\$	\$	\$
a. Annual cost	\$	\$	\$
b. Per sq. ft.	\$	\$	\$

NOTES:

- A. Estimated useful life of new building - 50 years
- B. Amortization of the project cost of \$ @ $4\frac{1}{2}\%$ interest will require years of annual payments of \$, the rental rate for comparable leased space.
- C. Square footage in building - gross area; net area.
- D. Normal operation and maintenance excluded since it would be the same in either situation.